HJR 153 FEASIBILITY STUDY GENERIC QUESTIONS

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1. Please identify the major issues/questions that should be addressed by the HJR153 feasibility study.

Cost recovery or the ability to receive subsidization, using a phased-in approach over several years, opportunities for waivers in certain areas upon a showing of non-feasibility or sensitive areas like wildlife shelters or other areas protected by the environment, grant of eminent domain power to achieve the objectives of this proposed legislation, prioritization of which lines get buried first, consider whether or not it may be more economically feasible in some areas/instances to replace aerial lines with wireless technology rather than bury them, etc.

Homeland security – are there some overhead distribution lines more vulnerable to terrorist activity than others?

How would dollars allocated for burial be allocated between companies?

Why not require a company to have a "plan" for working toward a percentage of buried cables as compared to their total miles of aerial distribution lines? The plan could provide for the burial of all "new" cable, where feasible, as well as the burial/replacement/strengthening of older cable or more vulnerable cable. This plan would have as a goal a percentage of buried cable by some date certain in the future – i.e. "Shentel will achieve 85% buried cable by 2010 under this plan....."

Should companies that have already been agressively working toward burying aerial cables get some kind of a break under the new rules?

Should scenarios be identified where it is actually more beneficial for distribution lines to be aerial versus buried, i.e. river crossings, swamplands, highways, congested or urban areas with a lot of pavement and/or other underground utilities which would eventually require heightened future maintenance costs?

Why not just require burying cables in the MOST vulnerable areas?

Should we have companies who are less than 50% buried engage in this first until all are up to, say, 80% buried. Should we exempt 80% buried companies from this project in the first few stages of it?.

What if companies had their own projects for burying overhead cable to a percentage of all overhead lines by, say, 90%?

What about utilities which cross Virginia's border into other states?

The possible need to upgrade or overbuild facilities should be taken into account with any burial program.

Is the phrase "distribution lines from for

Are we going to distinguish between simply "burying" facilities and the less simplistic putting facilities "underground".

Since you are talking about overhead utility lines – does this include cable, CLEC, municipality (street lights), wireless companies, etc. In other words, are we talking about any and all cable, all infrastructure mounted upon or appurtenant to telephone and electric poles? Are they "utilities" as well? If they are not, when telephone ard electric get buried, what happens to these other "services" mounted on our poles. For right of way and eminent domain purposes, do cable companies, etc. which are not regulated utilities get the benefit of resolutions for telecom and electric companies being public utilities.

What about public use right of way fees that telecom and electric pay to put cables in VDOT ROW. Will that fee be increased as more facilities go into that ROW.?

What about depth levels
build conduit systems
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Shouldn't we try to get the benefit of the useful life of those already existing a facilities?

2. Please describe the potential benefits to the public and utility companies associated with the undergrounding of overhead distribution lines.

The obvious potential b weather-related utility disconnected with the second control of the second control of

Eventual reduction in utility line maintenance costs (perhaps – but maybe not cases).

Reduction in the "visual pollution" in the Commonwealth.

3. Please describe the potential negative impacts on the public and utility companies associated with the undergrounding of overhead distribution lines.

Obviously, the negative impacts would be the time, labor, and expense associated with such an overwhelming task. There is also a heightened potential for outages owing to the excavation work associated with an improper location effort.

4. Please describe in detail the potential obstacles associated with the implementation of a program to relocate overhead distribution lines to underground (for example, statutory, regulatory, technological, economic, safety, and physical obstacles).

I believe economics is the largest potential obstacle. It has been one of the main reasons utility lines have not been moved underground to date. With the trend away from physical telephone access lines and toward wireless telephony, it is becoming more difficult to justify maintenance and network expansion costs, let alone costs to bury existing infrastructure.

5. Please describe the process for identifying and securing right of way easements for the relocation of existing overhead distribution lines to underground. What property rights issues would be raised as a result?

In order for this effort to be ubiquitous, shouldn't all utilities required to underground their lines have an eminent domain power or right so as to eliminate legal obstacles to securing right of way?

6. In order of importance, list the criteria that should be considered to determine whether the implementation of a program to relocate overhead distribution lines to underground is desirable.

Cost, time period, feasibility, percentage of a company's total lines to buried lines, a company's outage record......are we assuming that all companies need to bury all of their lines or are there some whose infrastructure is more vulnerable than others?

7 In order of preference, describe the potential options for funding the relocation of overhead distribution lines to underground and explain the basis of your recommendation.

Local tax, state tax, end-user surcharge, keep in mind this measure comes upon the heels of the Commonwealth repealing telecom and electric utilities' exemption from sales and use tax......

8. Should one or more pilot programs be conducted to determine more precisely the benefits, costs and obstacles associated with the implementation of a program to relocate overhead distribution lines to underground? If pilot programs should be conducted, how could and should the pilot programs be funded?

Pilot programs may be beneficial to determine things like whether ALL lines should be buried or whether some newer lines or lines less vulnerable to wind/ice/weather even need to be buried. A state tax program could fund the pilot program or it could be funded by the utilities who are then allowed to pass the costs on to their end-users. Competition, in the telecom industry would have to be considered as some telecom companies must compete with other providers who may not be subject to this regulation.

9. Considering the costs, benefits and obstacles associated with the implementation of an undergrounding program, should the General Assembly require utilities to place all or a portion of existing and/or new overhead distribution lines undergoing? Alternatively, should such decisions be left to local government? Please explain your answer.

Perhaps there could be some categorization of which lines were more vulnerable -i.e. bury the oldest ones buried first or bury those located nearest trees first, etc.

10. What obstacles, if any, currently prevent a local government from enacting an ordinance establishing all or a part of the locality as an area in which: (a) existing overhead utility distribution lines must be relocated underground over some period of time; and/or (b) all new utility distribution lines must be located underground.

If some of the current tree trimming maintenance done on ROWs were done properly and regularly a lot of storm and wind damage could be prevented. Sometimes if the electric line, which is at the top of the pole goes down, other lower service lines often get taken down with them.

The largest obstacle is, obviously, the cost of implementing such a requirement.

1. For the specific purpose of funding the undergrounding of existing overhead utility distribution lines, what obstacles, if any, currently prevent a local government from levying a special tax on the residents and businesses of an area within the locality in which the local government has enacted an ordinance requiring the undergrounding of utility distribution lines? Would such a special tax assessment require specific new authorization from the General Asssembly?

Don't see any obstacles preventing the levying of a special tax. Decisions would need to be made regarding how long the tax will be assessed and how much each taxpayer would be assessed based on estimates by utilities of the cost of providing the undergrounding and whether the tax would be ubiquitous statewide or by rural, non-rural, county, etc.

- 12. Interested parties are invited also to address all other legal and policy issues they believe relevant to this investigation.
- 13. Please indicate below your desired level of participation in the feasibility study.

Placed on the distribution list for all correspondence.

x Considered as an active participant in the feasibility study. If you wish to be considered as an active participant, please complete the following:
Field of expertise: Operations and Engineering local telephone networks
Organization: Shenandoah Telephone Company
14. If you are interested in participating as an active participant, would you be willing to serve also as a member of a subgroup to identify, research, and analyze specific issues and provide written summaries of specific topics of study?
x_YesNo
15. Please provide the following contact information:
Name: Lori Warren
Title: Director of Regulatory Affairs
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E-Mail Address: lww@shentel.net
16. Do you plan on attending the kickoff meeting in Richmond (specific location to be announced later) scheduled for 9:30 a.m., Monday, August 16, 2004?
x Yes. Number of attendees representing your organization 2
No.